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Marketing Update

Utah Department Of Agriculture & Food

Utah Contingency Attends World Hereford Convention

In April, a Utah delegation attended the 13th Annual World Hereford Conference in Buenos Aires, Argentina. The theme, "Cattle for the New Millennium", provided an opportunity for over 1,000 Hereford producers from around the world to hear reports and share ideas on genetics, market opportunities and host country perspective.



Randy Parker of the UDAF presents a Utah commemorative belt buckle to Horacio La Valle, Director of the Argentina Hereford Association while attending the 13th Annual World Hereford Conference in Buenos Aires, Argentina.

Under a grant from U.S. Livestock Genetics Export, Inc. (USLGE), Randy Parker, Utah Department of Agriculture & Food's (UDAF) Director of Marketing, joined Ken Ashby, President of the Utah Farm Bureau Federation and Brent Tanner, Executive Vice President of the Utah Cattlemen's Association, as part of an official U.S. delegation attending the event.

The conference opened with an address from Argentina President Carlos Menem, who declared strong support for his country's agriculture industry. He praised the quality of Argentina's Hereford beef and highlighted the recent declaration that Argentina is foot and mouth disease free. This provides opportunities for international market development by Argentina. It was made clear that Argentina will not devalue



its currency in an effort to compete in global markets but rather adopt policies to make them competitive. The Argentina peso is pegged to the U.S. dollar.

Research results presented at the conference, identified tenderness and flavor as the top consumer concerns when buying beef. The presenters

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Cytozyme Laboratories: "Small Business and Exporter of the Year"

This year marks the 25th anniversary of Cytozyme Laboratories, Inc. Located in Salt Lake City, Utah, Cytozyme has become a world leader in fermentation technology through the development of a multi-stage process that is used to manufacture six lines of product. Cytozyme manufactures products for agricultural crops, farm animals, lawns and gar-

dens, organic waste management, pet and sport animals, and humans.

The line of products for humans is called HUMIX. This family of multi-vitamin and mineral supplements helps reduce physical and psychological stress, helps maintain a nutritional balance, and removes free radicals from the body. To be beneficial, vita-

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Cytozyme's technology has been used to benefit people worldwide..

UTAHNS ATTEND MEXICO'S NATIONAL LIVESTOCK CONVENTION

The 64th annual general assembly of the Mexican National Livestock Confederation was held June 10 - 14, 2000 in Chihuahua, Chihuahua, Mexico.



Randy Parker, UDAF, Bilo Wallace, cow/calf operator in Chihuahua and member of the Chihuahua Cattle Union and Brad Johnson, Utah state representative, visit at USLGE booth at the Confederacion Nacional Ganadera convention in Chihuahua, Mexico.

hual, Mexico. A Utah team participating with a grant from U.S. Livestock Genetics

Export, Inc. (USLGE) was part of the 30 member official United States delegation. Randy Parker, UDAF Director of Marketing, Seth Winterton, UDAF Investigative Officer and State Representative Bradley Johnson of Aurora traveled to Mexico's largest cattle producing state for the convention. USLGE joined with livestock groups and state departments of agriculture to organize an educational display to provide information on U.S. livestock genetics. Producers and representatives from several states were on hand to meet with and visit with Mexican livestock producers. The UDAF Marketing Division developed a special informational brochure identifying Utah cattle producers interested in the Mexican market.

The state of Chihuahua is

Mexico's largest cattle producing state and is the largest exporter of cattle to the United States. These cattle producers have been using U.S. genetics and improving the quality of their livestock. They are producing feeder cattle that make their way to Midwest where they are finished. While a lot of Mexican feeders are moving north, it was also pointed out that one of the fastest growing imports from the U.S. to Mexico is processed beef.

The opening session of the convention featured President Ernesto Zedillo Ponce de Leon. With the July national elections only weeks away, President Zedillo was working to build credibility for his party with the important agriculture-voting block. He pointed out that working together they

have overcome economic and trade problems.

Throughout the remainder of the conference, delegates and members discussed issues that included, credit, trade, globalization, animal health and many others. Environmental issues were discussed since the continuing drought in Northern Mexico has reduced herd sizes for most cattle producers.

In conjunction with the convention, the Chihuahua Cattle Union hosted a trade show. Representative Johnson noted the high quality of the cattle genetics that were exhibited at the show. "It was a great opportunity to travel to Mexico, to get acquainted with Mexican cattle producers and to better understand border issues from their perspective," Johnson said.

Dairy Options Pilot Program promoted in Utah



Milk prices are more volatile than ever, and many dairy producers feel they have few alternatives when it comes to price risk management.

The Risk Management Agency (RMA), a division of the USDA, is currently promoting an innovative cost-share price protection pilot program in selected states and counties. The program allows dairy farmers to

learn about hedging milk prices through hands-on put options trading through the Dairy Options Pilot Program

"...(it is the hope of the RMA) to expand the program to other areas such as cattle and grains."

(DOPP).

The Marketing Division of the Utah Department of Agriculture and Food has been participating with Utah State Uni-

versity in training Utah dairymen in the use of futures and options so they can take advantage of the DOPP program. In addition, the Marketing Division of UDAF has traveled to Idaho to assist in the training of Idaho dairymen as well. DOPP provides eligible dairymen an opportunity to learn how futures and options markets work and first-hand experience in buying put op-

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World Hereford Convention

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showed results that Hereford beef shear tests beat other major cattle breeds including Angus for tenderness. Hereford's tenderness and flavor are important in developing consumer preference and expanding the Certified Hereford Beef program. During the con-

ference, the Argentina Hereford Association and the



The pampas region is Argentina's highest beef and grain production area.

country's largest supermarket chain announced a marketing alliance to sell only Argentina Hereford Beef.

World demand for organic and natural beef was described as a growing market opportunity. As consumers make economic gains and increase disposable income, they are willing to spend more on what they perceive as healthier. Argentina currently supplies grass fed beef and

appears ready to compete for this growing market.

The final day of the conference was spent at a Hereford cattle show and sale. Argentina cattle producers have been working to improve the quality of their genetics. The exhibited Hereford cattle showed they have accomplished that goal.

The 14th World Hereford Conference will be held in Armidale, Australia in 2004.

Four Utah Companies Exhibit at U.S. Export Showcase

The U.S. food Export showcase (USFES) was held in McCormick Place in Chi-



The Utah Pavilion is well recognized by Showcase attendees...

cago, Illinois the second week in May. USFES is sponsored by NASDA and USDA's Foreign Agricultural Service (FAS) and held in conjunction with the Food Marketing Institute's Supermarket Industry Convention & Educational Exposition. Four Utah firms participated in this year's Show-

case.

Those firms included Kitchen Specialties, Redmond Minerals, EZ Foods, Inc. and The Game of Work. These firms exhibited their products along with 350 manufacturing firms and 33 state departments of agriculture. Utah has provided a Utah Pavilion the past two years and the pavilion is beginning to be well recognized by Showcase attendees who in-

"(We) felt it was worth it. We made a couple of really good contacts...they send out their potatoes and want to use a sample of RealSalt to go with each one. That would give us a lot of exposure".

*Jason Nielsen, Business and Marketing Director
Redmond Minerals*

sure they visit the pavilion. Utah tried something new this year and expanded its pavilion to include Wyoming and

Montana to form the Rocky Mountain Pavilion.

It is the goal of the USFES to provide small and medium-sized food manufacturers with a cost-effective opportunity to reach an international audience of influential food buyers and increase exports of their products. Two of the Utah firms, Kitchen Specialties and Redmond Minerals already are exporting and EZ Foods, Inc. is starting to look at export markets. Chuck Coonradt, president of The Game of Work, attended the

Showcase because his company has developed a large clientele in the food industry.

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350 North Redwood Rd
PO Box 146500
Salt Lake City, UT 84114-6500

Telephone
(801) 538-7100

Michael O. Leavitt
Governor

Cary G. Peterson
Commissioner

Randy Parker
Director
Agricultural Marketing and
Conservation Division

Richard Sparks
Editor

Dairy Options

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tions. The put options contracts enable producers to buy a kind of price insurance to ensure a minimum price for their milk. When milk prices decline, the option contract increases in value, compensating for the loss in the milk price fall below the floor (or "strike price"). Richard Sparks of the Marketing Division of UDAF said, "The

Dairy Option Pilot Program is just one program being looked at by the FMA in using futures and options to provide

Put options are the right but not the obligation to take a short position in the underlying milk futures contract.

price protection to producers. Representatives of the RMA in visits to UDAF offices have indicated they hope to expand the program to other

areas as well such as cattle and grains." Of course, this option price protection has a cost, some of which is borne by Utah dairy-men and some by the RMA. Producers pay 20 percent of the premium (or cost) of each option, while the USDA pays 80 percent of the premium as well as broker fees of up

to \$30 per option. To be eligible to participate in the current DOPP, Utah dairies must be located in Cache and Utah counties.



Cytozyme

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mins and minerals must be taken up by the body. The chelation (surrounding) of minerals by proteins, carbohydrates, or fats can increase the absorption of these nutrients from the digestive tract. The process used to create HUMIX produces bioavailable vitamins and minerals.

HUMIX helps reduce physical and psychological stress, helps maintain a nutritional balance, and removes free radicals from the body.

Cytozyme's technology has been used to benefit people worldwide in more than 40 countries on six continents. As a world leader of this technology, Cytozyme has been recognized by the U.S. Small

Business Administration as "Exporter of the Year" and by the Greater Salt Lake Chamber of Commerce as the

"Small Business of the Year."

As the new millennium begins, Cytozyme celebrates its 25th year of business in Utah and throughout the world. Cytozyme is dedicated to the development of biotechnology that produces superior nutritional products.



Cytozyme has become a world leader in fermentation technology...

Export Readiness 2000 In Salt Lake City July 11th & 12th

The Western United States Agricultural Trade Association (WUSATA) will be in Salt Lake City July 11th and 12th to continue their Export Readiness Program. This federally funded program is designed to assist small food and agricultural companies that are exporting for the first time, as well as export veterans looking for professional advice.

John Kauke, Principal of Global Market Linkage, pro-

vides a 1½-hour consultation focused on strategic choices in



Western U. S. Trade Association

export tactics that fit the individual company strategy and budget. Mr. Kauke is a business development consultant with more than twenty years experience pioneering foreign markets in the consumer food and publishing industries. Randy Parker, UDAF Marketing Director and Richard Sparks, UDAF Marketing Facilitator will be on hand to help identify state and federal export programs that can help those Utah companies participating in Export Readiness.

ness.

Utah companies participating this year are Timberline Farms, Mc Farland's Foods, Redmond Minerals, Daily's Meats, Fruitizia, Grandma's Country Food, Dan Morrison Meat Pies and Springdale Fruit. Questions about this or any other related UDAF marketing activities can be addressed to Richard at (801) 538-4913 or email at ag-main.rsparks@email.state.ut.us.

Upcoming Events

SIAL 2000 Parc des Expositions de Paris Nord, Vilepinte, France October 22-26, 2000

(Western US will have 20 booths, only a few still available)

FOODEX JAPAN 2001 Nippon Convention Center Tokyo, Japan March 13-16, 2001

FOOD ASIA 2000 and HOTELASIA 2000 Singapore, Singapore April 11-14

US FOOD EXPORT SHOWCASE Chicago, Illinois May 6-8, 2001

HOFEX 2001 Hong Kong Convention and Exhibition Centre, Hong Kong May 8-11, 2001

ANUGA, Cologne, Germany October 13-17, 2001

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PO Box 146500
350 North Redwood Road
Salt Lake City, UT 84114-6500

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